BEFORE THE BOARD OF OIL, GAS AND MINING DEPARTMENT OF NATURAL RESOURCES STATE OF UTAH

IN THE MATTER OF THE REQUEST FOR AGENCY ACTION OF CRESCENT POINT ENERGY U.S. CORPORATION FOR AN ORDER ESTABLISHING THE SOUTHERN RANDLETT INCREASED WELL DENSITY DEVELOPMENT PROJECT AREA FOR THE PRODUCTION OF OIL, GAS AND **ASSOCIATED** HYDROCARBONS FROM THE **EOCENE** MIDDLE AND LOWER GREEN RIVER AND PORTIONS OF THE PALEOCENE WASATCH TRANSITIONAL FORMATIONS UNDERLYING THE N1/2 OF SECTION 16, THE S1/2 OF SECTION 15 AND THE NW1/4 OF SECTION 15, TOWNSHIP 4 SOUTH, RANGE 2 EAST, USM, UINTAH COUNTY, UTAH

NOTICE OF HEARING

Docket No. 2015-012 Cause No. 142-13

THE STATE OF UTAH TO ALL PERSONS INTERESTED IN THE FOLLOWING MATTER.

Notice is hereby given that the Board of Oil, Gas and Mining ("Board"), State of Utah, will conduct a hearing on WEDNESDAY, MARCH 25, 2015, at 10:00 AM, or as soon thereafter as possible, in the auditorium of the Department of Natural Resources, 1594 West North Temple, Salt Lake City, Utah.

The hearing will be conducted as a formal administrative adjudication in accordance with the rules of the Board as set forth in Utah Administrative Code R641 et seq., and as provided for in Utah Code Ann. § 40-6-1 et seq., and Utah Code Ann. § 63G-4-101 through 601.

The purpose of the hearing will be for the Board to receive testimony and evidence regarding a Request for Agency Action that the Board enter an Order:

1. Establishing the Southern Randlett Increased Well Density Development Project Area for the production of oil, gas and hydrocarbons from the Eocene Middle and Lower Green River formations, defined for purposes of this Cause as:

The interval between the Garden Gulch top (TGR3) and approximately 1000 feet into the Paleocene Wasatch, the stratigraphic equivalent of which is the interval between 4,888 and 7,432 feet on the log for the Crescent Point Energy Deep

Creek 11-15-4-2E Well, located in the NE ¼ SW ¼ of Section 15, T4S, R2E, USM, Uintah County, Utah (API No. 43-047-5244),

(the "Subject Formations"), for the following Uintah County, Utah lands:

Township 4 South, Range 2 East, USM
Section 16: N/2
Section 15: NW/4; S/2

(collectively, the "Subject Lands"). The Subject Lands are contained within what is known as the "Three Rivers" area; with the special drilling units identified above established due to the Green River and Uintah Special Meridian. Whereby the 40-acre five-spot production pattern as shown in the Exhibits, using a well grid utilizing 20-acre spacing is established for the project area, as approved by this Order, satisfies the purposes of the general well location and siting rules, Utah Admin. Code Rules R649-3-2 and R649-3-3 affecting the Subject Lands and Subject Formations, and such rules are suspended to the extent they are inconsistent with the operations approved by this Order. No future well shall be located closer than 460 feet from the boundary of the Southern Randlett Increased Well Density Development Project Area without administrative approval from the Division in accordance with the well exception location requirements of Utah Admin. Code Rule R649-3-3. Interior wells shall be located at least 460 feet from all other wells;

- 2. Declaring the existing wells producing from the Subject Formations upon the Subject Lands to be at legal locations notwithstanding the relief requested;
- 3. Expressly ordering that Utah Admin. Code Rule R649-3-11(1.1) is inapplicable to any directionally drilled well within the project area so established, so long as the bottom hole location of Lease Line Well #1 is located within a 400 foot square "window" with the center being the midpoint of the eastern boundary of the NE/4 of Section 16, and the western boundary of the NW/4 of Section 15, Township 4 South, Range 2 East, and Lease Line Well #2 is located within a 400 foot square "window" with the center being the midpoint of the southern boundary of the N/W4 of Section 15, and the northern boundary of the S/2 of Section 15, Township 4 South, Range 2 East. No exception location letters are needed for all interior wells located in the center of the five-spot pattern, as shown in Exhibits, with common mineral ownership, so long as the productive interval of the wellbore is located at least 460 feet from all other wells, with the caveat that, if an uphole completion closer than the set back is subsequently proposed, an exception location approval in accordance with Utah Admin. Code Rule R649-3-3 (or subsequently enacted equivalent regulation) will be required;
- 4. Proceeds from the production associated with Lease Line Well #1 and Lease Line Well #2, have been agreed upon by the mineral owners for those two wells, respectively, as set

forth in that certain "Proceeds Allocation Agreement" included in the Exhibits. Proceeds from all other interior wells located in the center of the five-spot pattern, on common leasehold ownership, shall be distributed based on the terms of the associated lease ownership to match the existing producing 40 acre spaced wells on the same leasehold respectively.

5. Providing for such other and further relief as may be just and equitable under the circumstances.

Objections to the Request for Agency Action must be filed with the Secretary of the Board at the address listed below no later than the 10th day of March, 2015. A party must file a timely written objection or other response in order to participate as a party at the Board hearing. Failure to participate can result in a default judgment.

Natural persons may appear and represent themselves before the Board. All other representation of parties before the Board will be by attorneys licensed to practice law in the State of Utah, or attorneys licensed to practice law in another jurisdiction which meet the rules of the Utah State Bar for practicing law before the Utah Courts.

Persons interested in this matter may participate pursuant to the procedural rules of the Board. The Request for Agency Action, and any subsequent pleadings, may be inspected at the office of the undersigned, and inspected online at the Utah Board of Oil, Gas and Mining's website at http://ogm.utah.gov/amr/boardtemp/redesign/books.html.

Pursuant to the Americans with Disabilities Act, persons requiring auxiliary communicative aids and services to enable them to participate in this hearing should call Julie Ann Carter at (801) 538-5277, at least three working days prior to the hearing date.

DATED this 26th day of February, 2015.

STATE OF UTAH BOARD OF OIL, GAS AND MINING Ruland J. Gill, Jr., Chairman

/s/ Julie Ann Carter

Board Secretary

1594 West North Temple, Suite 1210

Salt Lake City, Utah 84116

(801) 538-5277

CERTIFICATE OF PUBLISHED NOTICE

I hereby certify that I caused a true and correct copy of the foregoing NOTICE OF HEARING for Docket No. 2015-012 Cause No. 142-13 to be PUBLISHED in the following newspapers on the following days:

March 1, 2015:

<u>The Salt Lake Tribune</u> and <u>Deseret Morning News</u>, newspapers of general circulation in Salt Lake City and County.

March 3, 2015:

<u>Uintah Basin Standard</u>, a newspaper of general circulation in Duchesne and Uintah Counties.

March 3, 2015:

<u>Vernal Express</u>, a newspaper of general circulation in Uintah and Daggett Counties.

Julie Amn Cartar

CERTIFICATE OF SERVICE

I hereby certify that on this 27th day of February, 2015, I caused a true and correct copy of the foregoing NOTICE OF HEARING for Docket No. 2015-012, Cause No. 142-13, to be mailed by Email or via First Class Mail with postage prepaid, to the following:

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